

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WASHINGTON

SONOSUITE S.L., a Spanish limited liability
company,

Plaintiff,

v.

RHAPSODY INTERNATIONAL INC., a
Delaware corporation,

Defendant.

No.

COMPLAINT

Plaintiff SonoSuite S.L., by and through its undersigned attorneys, brings this
complaint against Rhapsody International Inc.

I. PARTIES

1. Plaintiff SonoSuite S.L. (“SonoSuite”) is a limited liability company
organized under the laws of Spain.

2. Defendant Rhapsody International Inc. (“Rhapsody”) is a Delaware
corporation with its principal place of business in Seattle, Washington.

II. JURISDICTION AND VENUE

3. This Court has subject matter jurisdiction under 28 U.S.C. § 1332(a)(2)
because the matter in controversy exceeds the sum or value of \$75,000, exclusive of interest
and costs, and is between a citizen of a state and a citizen of a foreign state.



4. This Court has personal jurisdiction over Rhapsody because Rhapsody maintains its principal place of business in Washington State.

5. Venue lies in this District under 28 U.S.C. § 1391(b)(1) and (2) because Rhapsody resides in this District and because a substantial part of the events or omissions giving rise to this lawsuit occurred in this District.

III. FACTS

A. SonoSuite and Rhapsody Enter Content License Agreement

6. SonoSuite operates a platform that permits record labels and music distributors to distribute music to digital service providers. SonoSuite's platform allows its customers to protect their music catalogs, obtain sales and revenue data, and seamlessly manage royalty payments.

7. Rhapsody, doing business under the brand Napster, operates a subscription digital music service.

8. In early June of 2020, SonoSuite and Rhapsody entered a Content License Agreement for Streaming and Downloading Sound Recordings (the “Content License Agreement”). The Content License Agreement replaced another agreement between SonoSuite and Rhapsody that had been entered in 2006. At the time the parties entered the Content License Agreement, SonoSuite was called La Cupula Music. After entry of the Content License Agreement, the name was changed to SonoSuite.

9. The purpose of the Content License Agreement was to establish the terms and conditions for Rhapsody to include sound recordings owned by SonoSuite in Rhapsody's services, specifically to permit Rhapsody's end users to stream and conditionally download SonoSuite's sound recordings. The Content License Agreement set forth agreed royalties Rhapsody was to pay SonoSuite, in addition to other terms and conditions.

1 **B. Rhapsody Fails to Pay Royalties to SonoSuite**

2 10. Shortly after the parties entered the Content License Agreement, Rhapsody
 3 breached it and the prior agreement between SonoSuite and Rhapsody. For example, in mid-
 4 September 2020, SonoSuite wrote to Rhapsody regarding unpaid royalties. At that time, the
 5 last payment SonoSuite had received from Rhapsody was in May of 2020 for December of
 6 2019 royalties. In February of 2021 payments resumed.

7 11. Royalty payments continued until August of 2021, but problems resumed
 8 thereafter. In December of 2021, SonoSuite inquired with Rhapsody regarding missing
 9 royalty payments. SonoSuite heard little from Rhapsody until February of 2022, at which
 10 time Rhapsody stated that delays in payment were related to a corporate transaction. In early
 11 April of 2022, Rhapsody informed SonoSuite that the transaction had been finalized and that
 12 it would resume payments near the end of April 2022.

13 12. SonoSuite received one payment in early May of 2022, but delays resumed.
 14 In an email sent in June of 2022, Rhapsody stated that it was “working with our new
 15 ownership on short term cash requirements in order to determine the timing of when we can
 16 make payments.” By January of 2023, the latest royalty payment SonoSuite had received
 17 was for October 2021. SonoSuite again raised the late payment problem with Rhapsody in
 18 February of 2023. At the end of March of 2023, Rhapsody stated it would process a payment
 19 for November and December of 2021. In a familiar pattern, Rhapsody made those payments,
 20 but again failed to make additional payments. SonoSuite repeatedly raised Rhapsody’s
 21 failure to pay with Rhapsody. Rhapsody acknowledged its delay, but failed to get current on
 22 its obligations to SonoSuite.

23 13. In September of 2023, Rhapsody issued revised statements relating to
 24 SonoSuite’s catalog of music. But despite SonoSuite’s repeated requests for information and
 25 payment, Rhapsody has failed to address its breach of the Content License Agreement.

14. As of the date of this Complaint, Rhapsody owes more than \$750,000 in unpaid royalties to SonoSuite.

IV. FIRST CLAIM

Breach of the Content License Agreement

15. SonoSuite repeats and realleges each and every allegation above as if fully set forth herein.

16. The Content License Agreement is a binding contract between SonoSuite and Rhapsody.

17. Rhapsody breached the Content License Agreement by the acts and omissions described above.

18. SonoSuite fully performed all of its obligations under the Content License Agreement.

19. SonoSuite has suffered damages as a result of Rhapsody's breaches of the Content License Agreement.

PRAYER FOR RELIEF

WHEREFORE, SonoSuite requests the following relief:

A. For judgment in its favor and against Rhapsody on its breach of the Content License Agreement claim in an amount to be determined at trial;

B. For an award of pre- and post-judgment interest as the applicable rates;

C. For an award of attorneys' fees, costs, and expenses incurred in connection with this lawsuit; and

D. For such other and further relief as this Court deems just and proper.

1 DATED: June 12, 2024.

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